

**NOTICE OF IOWA DEPARTMENT OF HUMAN SERVICES  
PUBLIC COMMENT PERIOD TO EXTEND THE 1115 IOWA WELLNESS  
DEMONSTRATION WAIVER**

Notice is hereby given that the Iowa Department of Human Services (DHS) will hold public hearings on the renewal of the §1115 Iowa Wellness Plan Demonstration Waiver, which is set to expire December 31, 2016. DHS intends to extend this waiver for an additional three years pursuant to §1115(e) of the Social Security Act. In addition, DHS is seeking to terminate the §1115 Marketplace Choice Demonstration Waiver, which is also set to expire December 31, 2016, as there are no current Marketplace Choice enrollees. The State will continue to contract with managed care organizations to deliver high quality health care services for the majority of Iowa Wellness beneficiaries.

Hearings offer an opportunity for the public to provide written or verbal comments about the Iowa Wellness Plan Demonstration Waiver extension and the Marketplace Choice Demonstration Waiver termination. All comments will be summarized and taken into consideration prior to submission to CMS. Hearings will be held at the following dates, times, and locations:

**April 19, 2016**

Hoover Building  
Conference Room 5  
1305 E. Walnut St  
Des Moines, IA 50319  
1:30 p.m. – 2:30 p.m.

**May 10, 2016**

Fort Dodge Public Library  
424 Central Ave  
Fort Dodge, IA 50501  
Large Meeting room  
3:30 p.m. – 4:30 p.m.

This notice provides details about both Demonstration Waivers and serves to open the 30-day public comment period. The comment period closes May 12, 2016.

**PROPOSAL & HISTORY**

In 2013, the Iowa Legislature passed with bi-partisan support the Iowa Health and Wellness Plan (IHAWP) to provide access to healthcare for uninsured, low-income Iowans, using a benefit design intended to address liabilities associated with simply expanding the number of members in traditional Medicaid coverage. The IHAWP design sought to improve outcomes, increase personal responsibility, and ultimately lower costs. Key goals were to ensure the IHAWP population had access to high-quality local provider networks and modern benefits that worked to improve health outcomes; and to drive healthcare system transformation by encouraging a shift to value based payments that align with important developments in both the private insurance and Medicare markets.

The IHAWP sought to provide a comprehensive, commercial-like benefit plan that ensures provision of the Essential Health Benefits, indexed to the State Employee Plan benefits, with supplemental dental benefits similar to those provided on the Medicaid State Plan. Through a unique incentive program, the IHAWP also sought to promote responsible health care decisions by coupling a monthly required financial contribution with an incentive plan for members to

actively seek preventive health services and earn an exemption from the monthly contribution requirement. Original IHAWP options included the following

1. The Iowa Wellness Plan (IWP), which covered adults ages 19 to 64, with household incomes at or below 100% of Federal Poverty Level (FPL); and
2. The Marketplace Choice Plan (MPC), which covered adults age 19 to 64, with household incomes of 101% through 133% of FPL.

Iowa Medicaid originally administered the IWP through several delivery systems including independent primary care physicians (PCPs), accountable care organizations (ACOs), and managed care plans. Services provided by independent PCPs and ACOs were provided on a fee-for-service basis, while managed care plans were compensated based on capitation.

Historically, MPC enrollees could elect to receive coverage through one of two QHPs—CoOpportunity Health and Coventry Health Care of Iowa. On September 18, 2014, CoOpportunity informed the State of their intent to withdraw from the MPC Demonstration. As a result of CoOpportunity's withdrawal, the State arranged to move CoOpportunity's members to the IWP Demonstration, effective December 1, 2014. In addition, in October of 2015, Coventry informed the State that they would no longer accept new MPC Demonstration members. For these reasons, the State made the decision to move all of Coventry's MPC members and newly eligible IHAWP members to the IWP, effective January 1, 2016.

Based on the aforementioned information, and the continued lack of QHPs available to serve the MPC population, the State intends to terminate the §1115 MPC Demonstration Waiver, which is set to expire December 31, 2016. To ensure continued coverage for individuals with incomes of 101 through 133% of FPL, concurrent with this termination, Iowa is seeking an extension of the §1115 IWP Demonstration to continue serving Iowans for an additional three years pursuant to §1115(e) of the Social Security Act.

Most recently, on December 24, 2015, CMS approved the State's request to amend the IWP Demonstration to allow persons with incomes at or below 133% of FPL who were previously eligible for the MPC Demonstration to be eligible for the IWP Demonstration. This change had no impact on enrollment, benefits, enrollee rights, cost sharing, evaluation design, sources of nonfederal share of funding, budget neutrality, or other comparable program elements, and the transition of existing MPC Demonstration members into the IWP Demonstration took place on January 1, 2016. On February 23, 2016, CMS approved the State's request to implement a managed care delivery system for the IWP Demonstration, concurrent with the §1915(b) High Quality Healthcare Initiative Waiver, effective April 1, 2016.

## **GOALS AND OBJECTIVES**

As noted above, key goals of the IHAWP are to ensure that Iowans have access to high-quality local provider networks and modern benefits that work to improve health outcomes; and to drive healthcare system transformation by encouraging a shift to value based payments that align with important developments in both the private insurance and Medicare markets. The State has successfully achieved these goals through the following objectives: (1) improving enrollee health and wellness through healthy behaviors and use of preventive services; (2) increasing enrollee

engagement and accountability in their health care; and (3) increasing enrollee access to dental care. The proposed extension will enable the State to continue its efforts, utilizing the newly approved managed care delivery system, which is designed to deliver services in a highly coordinated manner and further incentivize active management of members' healthcare.

## **IOWA WELLNESS PLAN §1115 DEMONSTRATION WAIVER EXTENSION**

### **ELIGIBILITY**

Under the waiver extension, the IWP will continue to target individuals who are eligible in the new adult group under the State Plan.

<b>Eligibility Group Name</b>	<b>Social Security Act and CFR Citations</b>	<b>Income Level</b>
The Adult Group	§1902(a)(10)(A)(i)(VIII) 42 CFR §435.119	0 – 133% FPL

### **ENROLLMENT & FISCAL PROJECTIONS**

Historic and projected average monthly eligibility is as follows, by Demonstration Year (DY):

<b>IWP Demonstration</b>	<b>DY1</b>	<b>DY2</b>	<b>DY3</b>	<b>DY4</b>	<b>DY5</b>	<b>DY6</b>
Average Monthly Eligibility	98,681	136,824	158,170	161,333	164,560	167,851

The table below illustrates the estimated DY4 through DY6 IWP Demonstration budget neutrality including enrolled member months, per member per month (PMPM) cost per enrollee, and total state and federal expenditures:

<b>IWP Demonstration</b>	<b>DY4</b>	<b>DY5</b>	<b>DY6</b>
Member Months	1,693,544	1,727,415	1,761,963
Dental PMPM	\$28.34	\$29.67	\$31.06
Dental Expenditures	\$47,995,037	\$51,252,403	\$54,726,571

Pending approval of the IWP Demonstration extension, the values noted above will represent the IWP Demonstration budget neutrality limit. The State and its vendors will be required to manage the costs of the waiver to be less than the budget limit on a PMPM basis over the full extension period. Additional detailed estimates and explanations are included in the State's waiver application.

### **BENEFITS**

The IWP extension will not modify current covered benefits. IWP Core benefits are described in the Iowa Wellness Plan alternative benefit plan (ABP), except for enhanced benefits provided in the Dental Wellness Plan. IWP enrollees qualify for Enhanced or Enhanced Plus dental benefits earned through completion of periodic exam incentives. IWP enrollees will not receive any benefit in the form of an administrative activity or service to assure non-emergency transportation (NEMT) to and from providers.

## **COST SHARING**

Current IWP cost sharing will remain unchanged by this extension. All IWP members have no cost-sharing during their first year of enrollment. During the second year, enrollees at or above 50% of the FPL, who do not complete required healthy behaviors (i.e., health risk assessment and annual exam) during their first year of enrollment will be required to pay a monthly premium during the subsequent enrollment year, subject to a 30-day healthy behavior grace period. Individuals below 50% of the FPL, medically frail and members in the Health Insurance Premium Payment (HIPP) population, and all individuals who self-attest to a financial hardship are exempt from the required premium payment.

Monthly premium amounts will not exceed \$5 per month for nonexempt households from 50% up to 100% of FPL, and \$10 per month for nonexempt households between 100% and 133% of FPL. Enrollees are allowed a 90-day premium grace period, and enrollees under 100% FPL cannot be disenrolled for nonpayment of a premium, nor can an individual be denied an opportunity to re-enroll due to nonpayment of a premium. Individuals over 100% may be disenrolled for nonpayment but they can reapply. After 90 days, unpaid premiums may be considered a collectible debt owed to the State. Finally, the State may impose a copayment for non-emergency use of the emergency room consistent with Iowa's Medicaid State Plan and with all federal requirements.

## **DELIVERY SYSTEM**

Managed care organizations are responsible for delivering all IWP covered benefits, with the exception of dental benefits, which are carved out and delivered to Demonstration enrollees through a prepaid ambulatory health plan (PAHP).

Enrollment of Demonstration participants in managed care and the program is mandatory, with the exception of certain populations described in the State's §1915(b) Iowa High Quality Healthcare Initiative Waiver, and Alaskan Natives and American Indians are enrolled voluntarily. Excepted populations continue to receive services through the fee-for-service delivery system outlined in Iowa's Medicaid State Plan.

## **WAIVER AUTHORITY**

The State requests continuation of the following waivers of state plan requirements contained in §1902 of the Act, subject to the STCs for the IWP §1115 Demonstration:

Premiums, Section 1902(a)(14) and Section 1916 – To enable the state to charge premiums beyond applicable Medicaid limits to the IWP demonstration populations above 50 percent of the federal poverty level, with cost-sharing subject to a quarterly aggregate cap of 5 percent of family income.

Methods of Administration, Section 1902(a)(4) insofar as it incorporates 42 CFR 431.53 – To the extent necessary to relieve the state of the responsibility to assure transportation to and from providers for individuals in the demonstration.

Comparability, Section 1902(a)(17) – Specifically, to permit the state to provide reduced cost sharing for the newly eligible population. This will be done through a \$8 copay for non-emergency use of the emergency department. This copay will not apply to other Medicaid populations; copays applied to other Medicaid populations will not be imposed on this population.

## **EXPENDITURE AUTHORITY**

The State requests that expenditures made by the State for the items identified below, which are not otherwise included as expenditures under §1903, continue to be regarded as expenditures under the State’s Title XIX plan:

Medically Frail – Expenditures for all of the cost of the payment for core dental benefits to medically frail in the state plan.

Dental – Expenditures for all of the cost of the payment of enhanced and enhanced plus dental tiers.

The State also requests that the following requirements remain not applicable to the expenditure authority:

Proper and Efficient Administration, Section 1902(a)(17) – To the extent necessary to permit the state to contract with a single dental benefit plan administrator to provide dental services to beneficiaries affected by the IWP §1115 Demonstration.

Freedom of Choice Section 1902(a)(23)(A) – To the extent necessary to permit the state to require enrollees to receive dental services through a carved-out contracted dental benefit with no access to other providers.

## **EVALUATION**

In December of 2015, an interim evaluation report of the IHAWP was completed by the University of Iowa Public Policy Center. In March of 2016, the University of Iowa Public Policy Center also completed an interim evaluation report of the Dental Wellness Plan. Both evaluations revealed positive findings related to access, quality, and cost; several of which are highlighted below:

1. Access to routine care was statistically significantly higher for waiver enrollees than low income adults enrolled in Medicaid State Plan coverage.
2. Rates of emergency department visits (ED) and follow-up ED visits were lower for waiver enrollees than State Plan enrollees.
3. The majority of waiver enrollees (81%) reported having a regular sources of care (i.e., personal doctor). This was higher than reported under the State’s former IowaCare program (67%).

4. The percentage of potentially avoidable emergency department use was statistically lower among waiver enrollees than low income adults enrolled in State Plan coverage (51% versus 71%).
5. Waiver enrollees had a statistically lower hospital admission rate (11%) than low income adults enrolled in State Plan coverage (16%).
6. In comparing Wellness Plan per member per month (PMPM) cost and use to State Plan enrollee PMPM cost and use, the ED and prescription medicine PMPM cost and use are all significantly less.
7. Rates of well care visits were higher for waiver enrollees versus State Plan enrollees.
8. The majority of members (98%) lived less than 30 minutes from the nearest PCP.
9. The majority of surveyed waiver enrollees (76%) needing emergency dental care in a dental office reported being able to see a dentist as soon as they wanted.
10. Receipt of routine dental exams was higher among Dental Wellness Plan members than Medicaid State Plan enrollees (31% versus 23%).

Full interim evaluation reports are available on a dedicated Department of Human Services (DHS) website at <http://dhs.iowa.gov/ime/about/initiatives/iowa-health-and-wellness-plan/ihawp-fed-docs>. The State intends to continue studying the following questions and hypotheses during the waiver extension period:

Question	Hypotheses
Question 1: What are the effects of the Wellness Plan on member access to care?	Hypothesis 1.1: Wellness Plan members will have equal or greater access to primary care and specialty services.
	Hypothesis 1.2: Wellness Plan members will have equal or greater access to preventive care services.
	Hypothesis 1.3: Wellness Plan members will have equal or greater access to mental and behavioral health services.
	Hypothesis 1.4: Wellness Plan members will have equal or greater access to care, resulting in equal or lower use of emergency department services for non-emergent care.
	Hypothesis 1.5: Wellness Plan members without a non-emergency transportation benefit will have equal or lower barriers to care resulting from lack of transportation.
	Hypothesis 1.6: Wellness Plan members ages 19-20 years will have equal or greater access to EPSDT services.
Question 2: What are the effects of the Wellness plan on member insurance coverage gaps and insurance service when their eligibility status changes (churning)?	Hypothesis 2.1: Wellness Plan members will experience equal or less churning.
	Hypothesis 2.2: Wellness Plan members will maintain continuous access to a regular source of care when their eligibility status changes.
Question 3: What are the effects of the Wellness Plan on member quality of care?	Hypothesis 3.1: Wellness Plan members will have equal or better quality of care.
	Hypothesis 3.2: Wellness Plan members will have equal or lower rates of hospital admissions.

Question	Hypotheses
	Hypothesis 3.3: Wellness Plan members will report equal or greater satisfaction with the care provided.
Question 4: What are the effects of the Wellness Plan on the costs of providing care?	Hypothesis 4.1: The cost for covering Wellness Plan members will be comparable to the predicted costs for covering the same expansion group in the Medicaid State Plan.
Question 5: What are the effects of the premium incentive and copayment disincentive programs on Wellness Plan enrollees?	Hypothesis 5.1: The premium incentive for the Wellness Plan enrollees will not impact the ability to receive health care.
	Hypothesis 5.2: The copayment for inappropriate emergency department (ED) use for the Wellness Plan enrollees will not pose an access to care barrier.
	Hypothesis 5.3: In year two and beyond, the utilization of an annual exam will be higher than in the first year of the renewal period.
	Hypothesis 5.4: In year two and beyond, the utilization of smoking cessation services will be higher than in the first year of the renewal period.
Question 6: What is the adequacy of the provider network for Wellness Plan enrollees as compared to those in the Iowa Medicaid State Plan?	Hypothesis 6.1: Iowa Wellness Plan members will have the same access to an adequate provider network as members in the Medicaid State Plan.

### **IOWA MARKETPLACE CHOICE PLAN §1115 DEMONSTRATION WAIVER TERMINATION**

As there are currently no individuals enrolled in the MPC, and the State is not accepting new applicants, there is no transition and phase out plan associated with this termination. There will be no member or provider impact associated with this termination as all waiver enrollees were previously transitioned to the Iowa Wellness Plan effective January 1, 2016. Eligible individuals with incomes at or below 133% FPL will continue to be served through the IWP.

### **SUBMISSION OF COMMENTS**

This notice and all waiver documents are available online at: <http://dhs.iowa.gov/ime/about/initiatives/iowa-health-and-wellness-plan/ihawp-fed-docs>. To reach all stakeholders, non-electronic copies will also be made available for review at DHS Field Offices. A complete listing of DHS Filed Offices is provided as an Attachment to this notice. Written comments may be addressed to Deanna Jones, Department of Human Services, Iowa Medicaid Enterprise, 100 Army Post Road, Des Moines, IA 50315. Comments may also be sent to the attention of: DHS, Iowa Health and Wellness Plan at: [DHSIMEHealthandWellnesPlan@dhs.state.ia.us](mailto:DHSIMEHealthandWellnesPlan@dhs.state.ia.us) through May 12, 2016. After the comment period has ended, a summary of comments received will be made available at: <http://dhs.iowa.gov/ime/about/initiatives/iowa-health-and-wellness-plan/ihawp-fed-docs>.

Submitted by:  
Mikki Stier  
Iowa Medicaid Enterprise  
Iowa Department of Human Services



**Attachment: DHS Field Office Locations**

<b>County</b>	<b>Building Name</b>	<b>Building Address</b>	<b>City</b>	<b>Zip</b>
Benton	Benton County DHS	114 E 4th Street	Vinton	52349
Black Hawk	Black Hawk County DHS	1407 Independence Ave.	Waterloo	50704
Buchanan	Buchanan County DHS	1415 1st Street West	Independence	50644
Buena Vista	Buena Vista County DHS	311 E. 5th Street	Storm Lake	50588
Butler	Butler County DHS	713 Elm Street	Allison	50602
Carroll	Carroll County DHS	608 N Court Street, Ste. C	Carroll	51401
Cass	Cass County DHS	601 Walnut Street	Atlantic	50022
Cerro Gordo	Cerro Gordo County DHS	Mohawk Square, 22 N Georgia Ave, Ste. 1	Mason City	50401
Clarke	Clarke County DHS	109 S Main	Osceola	50213
Clay	Clay County DHS	1900 North Grand Ave. Ste. E-8	Spencer	51301
Clinton	Clinton County DHS	121 Sixth Ave S.	Clinton	52733
Dallas	Dallas County DHS	210 N 10th Street	Adel	50003
Des Moines	Des Moines County DHS	560 Division Street, Suite 200	Burlington	52601
Dickinson	Dickinson County DHS	Dickinson County Courthouse 1802 Hill Ave, Suite 2401	Spirit Lake	51360
Dubuque	Dubuque County DHS	410 Nesler Center, 799 Main Street	Dubuque	52004
Emmet	Emmet County DHS	220 S 1st Street	Estherville	51334
Fayette	Fayette County DHS	129 A North Vine	West Union	52175
Floyd	Floyd County DHS	1206 S Main Street	Charles City	50616
Hamilton	Hamilton County DHS	2300 Superior Street	Webster City	50595
Harrison	Harrison County DHS	204 E 6th St	Logan	51546
Henry	Henry County DHS	205 W Madison Street	Mt. Pleasant	52641
Jasper	Jasper County DHS	115 N 2nd Ave E. Suite H	Newton	50208
Jefferson	Jefferson County DHS	304 South Maple	Fairfield	52556
Johnson	Johnson County DHS	855 S. Dubuque Street	Iowa City	52240
Lee	Lee County DHS	933 Avenue H	Ft. Madison	52627
Lee	Lee County DHS	307 Bank Street	Keokuk	52632
Linn	Linn County DHS	411 3rd Street SE, Suite 600	Cedar Rapids	52401
Linn	Linn County DHS, Harambee House	404 17th Street Southeast	Cedar Rapids	52403
Mahaska	Mahaska County DHS	410 S 11th Street	Oskaloosa	52577
Marshall	Marshall County DHS	206 W State Street	Marshalltown	50158

Montgomery	Montgomery County DHS	1109 Highland Ave	Red Oak	51566
Muscatine	Muscatine County DHS	3210 Harmony Lane	Muscatine	52653
O'Brien	O'Brien County DHS	160 Second Street Se	Primghar	51245
Polk	Polk County DHS	Polk County River Place, 2309 Euclid Ave	Des Moines	50310
Polk	Polk County DHS- Carpenter Office	1900-1914 Carpenter	Des Moines	50314
Polk	Centralized Service Intake Unit	401 SW 7th St, Suite G	Des Moines	50309
Pottawattamie	Pottawattamie County DHS	417 E Kanesville Blvd.	Council Bluffs	51503
Pottawattamie	Income Maintenance Customer Call Center	300 W Broadway, Suite 110	Council Bluffs	51503
Scott	Scott County DHS	600 W. 4th St. 2nd & 3rd Floors	Davenport	52801
Sioux	Sioux County DHS	215 Central Ave. Se	Orange City	50141
Story	Story County DHS	126 S Kellogg Ave, Suite 101	Ames	50010
Union	Union County DHS (SVC)	304 N Pine St	Creston	50801
Union	Union County DHS	300 N Pine St	Creston	50801
Wapello	Wapello County DHS	120 E Main St	Ottumwa	52501
Warren	Warren County DHS	1005 South Jefferson Way	Indianola	50125
Webster	Webster County DHS	330 1st Ave. N	Fort Dodge	50501
Winneshiek	Winneshiek County DHS	2307 US Highway 52 South	Decorah	52101
Woodbury	Woodbury County DHS	Trosper-Hoyt Co Svc Bld., 822 Douglas St	Sioux City	51101